

POLICIES AND PROCEDURES FOR TIME AND ATTENDANCE OVERTIME RECORDING AND COMPENSATION

Applicable To Non-Exempt Employees Only (Including Students)

POLICY SUMMARY

- Overtime shall be assigned only in emergency situations or to meet essential operating needs as determined by the supervisor.
- Employees cannot “volunteer” to work overtime to perform the duties of their position without receiving overtime compensation. All hours worked must be compensated regardless of whether approved in advance or not.

RELATED POLICIES, CONTRACT ARTICLES AND REFERENCES

- A. Personnel Policies for Staff Members (PPSM) – employees not covered by representation
 - [PPSM 31 – Hours of Work](#)
 - [PPSM 32 – Overtime](#) (Non-Exempt employees only)
- B. [UCSC Title & Pay Plan](#)
- C. [Collective Bargaining Agreements](#)

AUTHORITY

Unit heads or appropriate designees are responsible for approving or assigning overtime work in advance of the hours worked and for verifying overtime accruals and usage, according to provisions of the appropriate personnel program or collective bargaining agreement. As a general rule, an employee is expected to seek advance approval for overtime work.

CRITERIA

OVERTIME RATES

Overtime may be compensated as straight time (one times each hour worked) or at premium overtime (one and one-half times each hour worked).

Premium Overtime

- Unless otherwise specified by personnel program policy or collective bargaining agreement article, the premium overtime rate occurs when the number of hours an employee actually works exceeds 40 hours. Pay status hours such as vacation, sick leave, compensatory time off, administrative leave, and other leaves with pay are not considered hours actually worked for purposes of calculating premium overtime.
- Refer to the appropriate collective bargaining agreements to validate which pay status hours count to premium overtime for represented employees.

Straight Overtime:

- The straight-time overtime rate occurs when the number of hours on pay status exceeds 40 hours. Pay status hours included for calculating straight overtime, for most employees, are: actual hours worked, vacation, sick leave, compensatory time off, administrative leave, and other leaves with pay.
- Refer to the appropriate collective bargaining agreements to validate which pay status hour's count to premium overtime for represented employees.

COMPENSATORY TIME OFF (CTO) BANKS

- Overtime may be accrued as compensatory time off (CTO) "banked" or paid according to provisions of personnel policy and/or collective bargaining agreement and CTO agreements.

MAXIMUM CTO HOURS

- Per campus policy, a maximum number of CTO hours at each rate can be accrued: 160 hours at the premium rate (240 per the FLSA) and 240 straight time hours.
- Refer to [Fire Fighter Unit \(FF\)](#) bargaining agreement to determine maximum accrual rates for premium and straight overtime.
- Hours accumulated beyond the maximum must be paid.
- Generally, accumulated CTO can remain in the "bank" for six-months, after which the employee will need to take compensatory time off work, have the CTO paid, or make special arrangements with the supervisor to keep the CTO on the books.
- Part-time employees accrue compensatory time off banks only after they have worked over 40 hours in a workweek. Hours worked up to 40 hours must be compensated as regular hours.

COMPENSATORY TIME OFF AGREEMENTS

- Under the FLSA, employee agreement to accept Compensatory Time Off (CTO) in lieu of pay is entirely voluntary.
- Refer to collective bargaining agreements for specific policies regarding CTO vs. pay for represented employees.
- Compensatory time off agreements should be maintained in the employee file.

CHANGES TO COMPENSATORY TIME OFF AGREEMENTS

- A change in the compensatory time agreement may be initiated by an employee, in consultation with the supervisor. Since the agreement is a condition of employment, it is intended that the agreement would remain in place for a significant period, generally one year or more.
- Refer to collective bargaining agreements for specific policies regarding changing the CTO agreements for represented employees.

WORK WEEK

- Overtime is accrued on a weekly basis for each workweek. Unless otherwise specified by collective bargaining agreement article, the work week for the Santa Cruz campus is defined as seven (7) consecutive twenty-four (24) hour periods, beginning 12:01 am Monday and ending 12:00 midnight Sunday.
- **EXCEPTIONS:** Refer to collective bargaining agreements for exceptions to the standard work week.

WORK SCHEDULE

- The Santa Cruz campus standard work schedule for a full-time employee is 8 AM to 5 PM Monday through Friday. Alternate work schedules may be established for full-time, part-time, or hourly employees and must be approved according to unit procedures.
- Attendance must be recorded according to the approved work schedule, unless there is a temporary modification to the work schedule. Such modifications should be infrequent and approved in advance by the supervisor and communicated to the HRSTR.

HOURS OF WORK

- The Santa Cruz campus standard hours of work for full-time employees are 40 hours in a work week. Regardless of appointment type or work schedule, an employee must work over 40 hours in a work week to receive overtime. Personnel Policies for Staff Members (PPSM) specifies under what conditions travel time can be considered hours of work. Refer to the Time and Attendance Reference Materials, [Overtime Questions and Answers – Travel Time](#), for more information on Travel Time.
- Refer to collective bargaining agreements for further description of conditions that would qualify as hours worked.

REST PERIODS

- Full time employees normally receive two rest periods of fifteen (15) minutes during an eight (8) or ten (10) hour shift and three rest periods of fifteen (15) minutes normally during a twelve (12) hour shift.
- Part time employees normally receive one fifteen (15) minute rest period for each work period of three (3) continuous hours or more, not to exceed two (2) rest periods per day.
- Employees must receive at least a 1/2-hour meal period for every six (6) hour work period. Meal periods are neither time worked nor time on pay status.
- Rest periods may not be taken at the beginning or end of a work period or accumulated for use at a later time. The combining of rest periods with meal periods is at the discretion of the supervisor, based on unit work rules.

CONSECUTIVE DAYS OF WORK

- Employees represented by collective bargaining agreements may be subject to the *Consecutive Days of Work* provision which states that employees will be paid one and one-half (1-1/2) times their regular rate of pay for all hours worked until a day off is granted.
- Refer to collective bargaining agreements to determine if the consecutive days of work provisions apply.

MULTIPLE PART-TIME APPOINTMENTS

- Multiple part-time appointments are combined for the purposes of calculating straight and premium overtime.
- If multiple part time positions include exempt and non-exempt and if >20% of the total hours is worked in a work week is in a non-exempt title, all overtime (excluding pay status hours) shall be compensated at the premium rate regardless of whether the additional hours are worked in the exempt position.
- Refer to [Multiple Part-Time Appointments criteria](#) in Time and Attendance Reference Materials for more information.

SHIFTS

- Most campus employees work the day shift. Others may work either the evening shift or night shift. The Santa Cruz campus shifts are defined as follows:

SHIFTS	DEFINITIONS
Day	The majority of the hours worked are between the hours of 8:00 am and 5:00 pm
Evening	The majority of the hours are worked after 5:00 pm and before midnight. <u>At least four hours of the total shift worked must be after 5:00 pm and before 8:00 am</u>
Night	<u>At least three or more hours are worked after midnight.</u> At least four hours worked during the total shift must be <u>after 5:00 pm and before 8:00 am</u>

SHIFT DIFFERENTIAL

- Employees in specifically designated classification titles are eligible for additional compensation designated as a “shift differential” pay rate. Such rates vary according to classification title and may vary according to shift assigned / worked either permanently or sporadically. Shift differential rates for eligible titles are listed in the [Title and Pay Plan](#). If no rate is listed for a particular shift, then a shift differential rate does not apply.
- Collective bargaining agreements specify under what circumstances employees permanently assigned to a shift continue to receive that shift differential rate when they are temporarily assigned to a different shift.
- An employee who normally works the day shift temporarily works an evening or night shift receives shift differential pay.
- Shift differential rates are included into the calculation of the hourly rate of pay to determine overtime compensation.

CALL BACK TIME

- Call-back time generally occurs when the employee is called back to work after they complete their scheduled work and leave the premises. Policy and collective bargaining agreements specify whether prior notice is a factor, when "call-back" is applicable, and the minimum number of hours to be paid upon "call-back."
- All call-back time must be counted as hours worked, with a minimum of three hours counted, regardless of whether it is/is not worked.
- Reference the [personnel policy or collective bargaining agreement](#) to determine under what circumstance call back hours are counted towards the calculation of premium overtime.

ON-CALL TIME

- On-Call is time during which an employee is required to inform their employer how they can be reached or to carry a pager in order to receive a call to work.
- An employee is not considered to be in on-call status unless he or she has previously been informed by the University of the On-Call assignment.
- On-call time may be compensated as unrestricted on-call time or restricted on-call time.
- Employees in certain designated titles are eligible for unrestricted on-call pay. Refer to the collective bargaining agreement and/or the Title and Pay Plan to determine which titles are eligible.
- Restricted on-call time is considered hours worked and will be paid at the employee's normal pay rate (or overtime if appropriate).

PAYOUT OF CTO BANK UPON PROMOTION/DEMOTION/TRANSFER/ OR SEPARATION

- All banked CTO must be payout upon promotion/demotion/transfer to another unit/division or upon separation from the University.
- Payout of CTO will be at the employee's rate of pay upon promotion/transfer/demotion or separation.
- Contact Payroll if you have additional questions about the payment process.

TRANSFER OF COMPENSATORY TIME OFF (CTO)

- CTO accruals are not transferable from unit to unit. Responsibility for compensating overtime rests with the unit in which it was earned. Accumulated compensatory time off shall be paid off when an employee leaves the unit in which the time was accrued, whether separating from the University or to take a position with a different unit.

PAYOUT OF OVERTIME

- When accrued overtime is actually paid out, it is always paid out at the employee's current rate of pay, regardless of what rate was in effect at the time of accrual.
- The current hourly rate of the shift differential in effect at the time of payout is included in that amount.
- The DOS code OTE is used when paying out grandparented compensatory time off to an exempt employee.

USES OF CTO

Overtime Bank:

- Overtime must be used within six (6) months of earning, within compensatory time off "bank periods" or paid according to provisions of personnel policy or collective bargaining agreement and compensatory time off agreements.
- Reference collective bargaining agreements for information on bank periods vs. pay out.

Family Medical Leave (FML):

- Compensatory Time Off (CTO) may not be charged against an employee's FML entitlement.

Catastrophic Leave Donations:

- Under the [Catastrophic Leave Donation Program](#), employees may not donate compensatory time off.

Family School Partnership Act:

- Eligible employees may take up to 40 hours off work of CTO or vacation during each year (but no more than eight (8) hours in any calendar month) to participate in the school activities or day care facility activities of the employee's children who are in kindergarten or grades 1 through 12.
- Please refer to the [Family School Partnership Act memo](#) reference in the Time and Attendance Reference Materials for details regarding eligibility.

PROCESS OVERVIEW

- All time worked must be recorded. Overtime worked is recorded to the nearest quarter (1/4) hour in the actual hours worked section of the Attendance, Leave Use and Accrual Record; or by choosing the correct pay code in CruzPay.

CALCULATION OF REGULAR RATE PAY FOR STIPEND / FREE MEAL

Premium Overtime

- Stipend compensation and/or "free meal perquisites" which use DOS code "SAS" and "PFM" respectively are added to base pay in order to determine the hourly rate of pay (known as the "regular rate") for the calculation of premium overtime compensation in weeks in which premium overtime occurs. To make the calculation, follow the following steps:

1. Determine the hourly base rate
Monthly base rate divided by 174
 2. Determine the weekly stipend rate
Monthly stipend multiplied by 12 months, then divided by 52 weeks
 3. Determine weekly total “regular rate” hours: This includes actual hours worked plus appropriate hours on pay status that must be included when calculating premium overtime. (Refer to appropriate policy or contract for a definition of appropriate hours on pay status.)
 4. Determine the weekly premium overtime (OTP) hours
Weekly total “regular rate” hours minus (-) 40 = weekly OTP hours
 5. Determine the hourly “regular rate”
[(Hourly base pay rate x weekly total regular rate hours) + weekly stipend rate] / weekly total regular rate hours
- Use the “regular rate” as the pay rate for overtime LX transactions. Use title code of the employee’s regular distribution. Use “H” with hourly “regular rate”, even if employee has a standard monthly base
 - Refer to Time and Attendance Reference Materials for a sample spreadsheet.
 - The above referenced calculations are also available in an Excel spreadsheet at: <http://shr.ucsc.edu/forms/forms/shr-1700.xls>

Straight Overtime

- The above procedure and calculation does not apply to straight overtime. Pay straight overtime in the same manner that overtime is paid for an employee who does not have a stipend, except you will enter two transactions in OPTRS
 1. using the base appointment pay rate and title code and
 2. using the stipend pay rate and title code (9898 - Administrative Stipend-nonexempt)

SAMPLE OVERTIME CALCULATIONS

Example 1

- 100% Fixed Appointment, Standard Workweek; Standard Work Schedule

Days	M	T	W	Th	F	Sa	Su	Total
Worked	8	9	9	8	9			43

- Three (3) hours premium overtime = 4.5 hours [3 x 1.5 = 4.5]

Example 2

- 100% Fixed Appointment, Standard Workweek; Standard Work Schedule

Days	M	T	W	Th	F	Sa	Su	Total
Worked	8		9	8	9	8		42
Sick		8						8

- Two (2) hours premium overtime = 3 hours [2 x 1.5 = 3]
- Eight (8) hours straight overtime

- **NOTE:** In any one workweek, it is possible for a Non-Exempt employee to receive both straight and premium overtime depending on the number of hours actually worked and number of pay status hours.

Example 3

- Overtime Rate Calculation for Employees with Stipend (using stipend calculation method outlined in Criteria above).
100% Fixed Appointment, Standard Workweek; Standard Work Schedule

Days	M	T	W	Th	F	Sa	Su	Total
Worked		10	10	10	10	8		48
Holiday	8							8

Monthly Base Pay	\$2400.00
Monthly Stipend	\$120.00
Total Premium Overtime Hours	8
Total Straight Overtime Hours	8
Weekly Total Regular Rate Hours	48
Weekly Total Pay Status Hours	56

- Determine the hourly base rate
 $\$2400 / 174 = \13.7931
- Determine the weekly stipend rate
 $(\$120 \times 12 \text{ months} / 52 \text{ weeks}) = \27.69 per week
- Determine weekly total “regular rate” hours
See above 48 “regular rate” hours (hours worked)
- Determine the weekly premium overtime (OTP) hours
See above 8 [48 regular rate hours – 40 full-time work week]
- Determine the hourly “regular rate”
 $[\$13.7931 \times 48) + 27.69] / 48 = \14.3700
- For OPTRS transaction
Enter \$14.3700 as the pay rate and 8 OTP hours.
Use title code of the employee’s regular distribution.
Use “H” as the rate code

To Pay Straight Overtime

- Determine the weekly OTS hours:
Weekly total pay status hours [56] minus (-) weekly total regular rate hours [48] = 8
- Enter \$2,400.00 as the pay rate and 8 OTS hours as one entry, using the distribution’s regular title code.
- Enter \$120.00 as the pay rate and 8 OTS as the second entry, using title code 9898 which is Admin Stipend – nonexempt.
- **Note:** Upon transfer or separation, payout of banked CTO (both premium and straight) is processed in the same manner as OTS payout noted above. No OTP rate calculation is necessary.

RECORDING CALCULATIONS

- Please see the Attendance, Leave Use and Accrual Records (Timesheets) section for information on recording overtime calculations.

HR SERVICE TEAM REP (HRSTR) PROCEDURE

Paper Based System

- Calculates straight and premium overtime for each workweek according to FLSA and provisions of personnel policy and collective bargaining agreements.
- In “CONTROL OFFICE USE ONLY” section of the Attendance, Leave Use and Accrual Record: records overtime calculations under “Overtime Accrual Calculations”. Updates “Accrual Record” monthly for overtime straight and overtime premium balances by recording monthly overtime used and earned (accrued).
- Reclassification of an employee from a Non-Exempt title to an Exempt title: Previously accrued hour-for-hour CTO banks in the Non-Exempt title will be carried forward in the “other leave” section of the “Control Office Use” section of the Leave Use and Accrual Record for use in whole day increments or will be cashed out *at the unit's discretion*.

CruzPay

- Pay rules built into the system will calculate straight and premium overtime for each workweek according to FLSA and provisions of personnel policy and collective bargaining agreements.
- Overtime is held in the straight or premium compensatory bank found in the Time off Balances window on the timesheet.
 - There are separate banks for straight and premium overtime.
 - The detail section shows usage and accrual each month.
- Reclassification of an employee from a Non-Exempt title to an Exempt title: Previously accrued hour-for-hour CTO banks in the Non-Exempt title will be carried forward to the Exempt timesheet. However, due to the change in exemption status, further accrual of CTO will not accrue.
- The carry forward CTO is grandparented for use in whole day increments or will be cashed out at the unit's discretion.

HELP / FORMS / RESOURCES

OVERTIME QUESTIONS & ANSWERS

- Please see the [Overtime Questions and Answers](#) document